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ABSTRACT

Concerns about the growing waiting list for the child care assistance program in Ramsey County, Minnesota precipitated a telephone survey study of the experiences and attitudes of families on the waiting list. Participating in the study were 270 families randomly selected as a representative sample of individuals on the waiting list for March through September 1998; the overall response rate was 70 percent. The findings revealed that more than 80 percent of waiting list families were working, almost all full-time, with the majority earning $7.00 to $10.00 per hour. Two-thirds of the occupations represented on the waiting list were in the service and trade industries, similar to that typical in the region. Over 60 percent applied for assistance because of a change in their work situation or because of economic need. More than half the families would change their child care arrangement if assistance were received due to unreliable, inappropriate, unsafe, or unclean conditions. Half the families were using families or friends for free or low-cost care, with two-thirds using their savings. Based on these findings, it was concluded that child care assistance for these families would benefit the tight labor market, result in less loss of employees, and would provide a small number of families with opportunities to develop skills for better paying jobs. (Seven appendices include details of some of the results and a description of the study methodology. Two attachments are included.) (KB)

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Faces on the Waiting List:

Waiting for Child Care Assistance in Ramsey County

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February, 1999

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Faces On the Waiting List: Waiting for child care assistance in Ramsey County

A survey of Ramsey County families on the waiting list for Basic Sliding Fee Child Care Assistance

February, 1999

Introduction

More Ramsey County families than ever are on a waiting list for the child care program that could help them pay part of their child care bills. The Basic Sliding Fee Child Care Program is designed to help low income working families stay at work and manage the cost of child care. As of February, 1999, about 1200 families have their names on the waiting list for that program.

The concern about the growing waiting list is made more urgent by welfare reform and the labor shortage. As part of welfare reform, Ramsey County is helping thousands of families go to work or prepare for work. At the same time, many employers are voicing their frustration at finding and retaining workers in such a tight labor market. Many families leaving welfare are likely to go into low- wage jobs and will need supports like the Basic Sliding Fee Child Care if they are to be able to stay off of welfare.

Ramsey County Human Services asked the Minnesota Center for Survey Research at the University of Minnesota to help us learn more about the families on the waiting list.

The surveyors interviewed a representative sample of 270 families between Oct. 28 and Nov. 19, 1998. The surveyors chose names at random and made sure that the sample provided an even distribution of families according to the month in which they applied for assistance. (See Appendix G.)

The material that follows describes the results of that survey.

The Basic Sliding Fee Child Care Assistance Program

This program helps families who are earning 75% of the state's median income or less. This $8.2 million program is a combination of federal and state funds. It operates on a first-come, first served basis for four population groups, who all have to meet the income guidelines:

1. Teenage parents not on the Minnesota Family Investment Program (MFIP), the state's new cash assistance program.
2. Families who have left MFIP because of their earnings and who are promised at least one year of assistance paying their child care bills.
3. Working families, regardless of their history on welfare.
4. Working families who want to pursue post-secondary education.

How much assistance a family gets depends on how much they earn. A family of three, for instance, earning $13,650 a year would pay only $5 a month of their child care bill. The program would pay the rest. But a family of three earning $35,410 would pay $508 a month towards their child care costs. A family earning a dollar more than that would be off the program.

Child care costs per family depend on the age of the children and the type of provider the family chooses. The younger the child, the more expensive the care. A center is more expensive than a family child care provider who has children come to her or his home. So an infant at a child care center might cost $702 a month; at a family child care home the cost would be $almost $500. Likewise, a preschool child might cost $559 a month at a center and $412 at a family child care home.

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Faces On the Waiting List:
Waiting for child care assistance in Ramsey County

A survey of Ramsey County families on the waiting list
for Basic Sliding Fee Child Care Assistance

February, 1999

Executive Summary

What do we know about Ramsey County families on the waiting list for Basic Sliding Fee Child Care?

- Most are working families:
  - more than 80% are working, almost all full-time.
- Two-thirds earn $10 an hour or less. The majority of the wages are between $7 and $10 an hour.
- Two-thirds have never been on AFDC or MFIP.
- Two-thirds of the parents are between the ages of 22-33.
- Most are small families:
  - 48% have only one child of child care age.
  - Another 29% have only two children of child care age.

Why families applied for child care assistance when they did?

- Their work situation changed, creating a need. *(almost 1/3 of the responses.)*
- They need more money to make ends meet. *(1/3 of the responses)*
- They had a new baby or child come into the household. *(20% of the responses.)*

What about the care the children are receiving?

- More than half the families say they will change their child care arrangements if they get the child care assistance. The parents dissatisfied with their current child care cited:
  - high costs;
  - care that is not always available when they need it;
  - care that is not appropriate to the age of their children;
  - too little attention given their children;
  - inconvenient locations;
  - unsafe environments;
  - unclean environments.

What resources have families used while on the waiting list?

- Half the families are using families and friends for free or low-cost child care. (Our experience and other studies indicate that this is often unreliable, unstable child care.
- Two-thirds are using their savings.
- One third are taking on debt.
- At least one-quarter are using public programs like Medical Assistance, food stamps and the Minnesota Family Investment Program (MFIP).

(These do not total 100% because many families said they use multiple strategies.)

Conclusions

Many of these families are in precarious financial situations.

They may be working now, but it is not clear that they can hold their lives together financially.

Indicators:

- One third are going into debt already.
- Many say they are struggling to meet basic needs – rent, food and clothing.
- 22% have had housing problems in the last year; 57% have been in their current housing less than a year.

Many of the children do not appear to be in good situations.

More than half the families will change child care if they can get assistance. Families cite unreliability, the inappropriateness, sometimes the unsafe or unclean conditions as their reasons.

These families are part of the economic mainstream.

When we analyzed the occupations and the industries these families are working in, they are the occupations and industries that account for the most jobs in the Twin Cities region. The service and trade industries, for instance, which account for the most jobs in the regional economy are two-thirds of the occupations represented on the waiting list.

What difference would funding the child care assistance program make?

The tight labor market would get more workers.

- Almost a quarter of the people on the waiting list say they will start to work or work more hours if they get child care assistance.

Employers would be less likely to lose employees.

- Two-thirds of the workers have been at their current job a year or less.
- Half the families have their children with families or friends. Many studies have shown that these sort of child care arrangements work only in the short term and are very unstable. When they fall apart, if families cannot secure paid child care, they must leave their jobs.

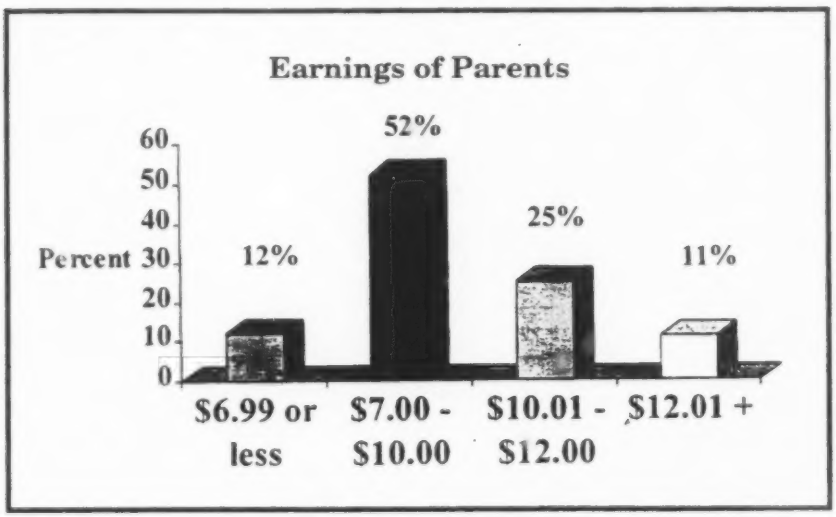
Some job seekers will develop the skills for better paying jobs.

- A small number of families — 6% — will pursue educational goals such as finishing high school, technical school or college – making them better equipped to fill jobs requiring skills.
- 15% of the families are already pursuing training or education in addition to their work.

Survey profile of Families Waiting for a Child Care Subsidy

What do we know about the families on the waiting list?

1. **They are working families:**
   - More than 80% of the families have at least one parent working currently.
     - ➤ In 82% of the two-parent families, both parents are working.
   - Two thirds are working full-time.
   - More than 80% are hourly-paid employees.



(See Appendix B for information on hourly wage rates in Minnesota.)

2. **They are primarily families who have not been on welfare:**
   - 64% have never been on either AFDC or MFIP
   - Of the 36% who have been on AFDC or MFIP:
     a little more than half — 53.1% — were on for a year or less.
     Three-fourths were on sometime in the last three years.

(See Appendix C for more detail.)

The majority:

- *work full time*
- *have not been on welfare*
- *have small families*
- *have young children*
- *are in their 20's and 30's*
- *are single females*
- *rent*
- *are white*
- *are high school graduates*

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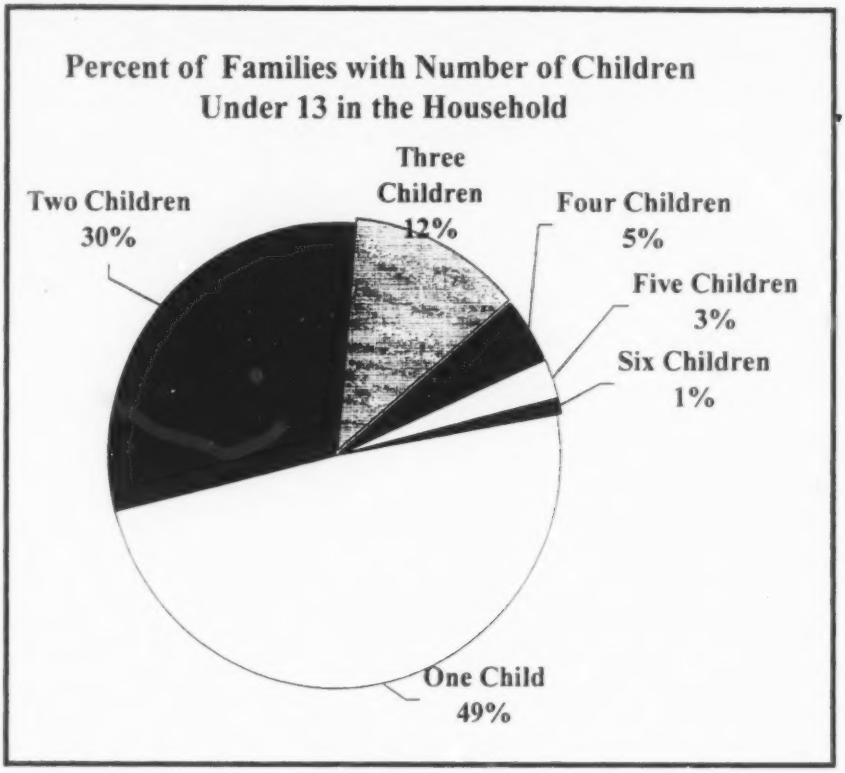
3. They are relatively small families:

Almost half have only one child younger than 13

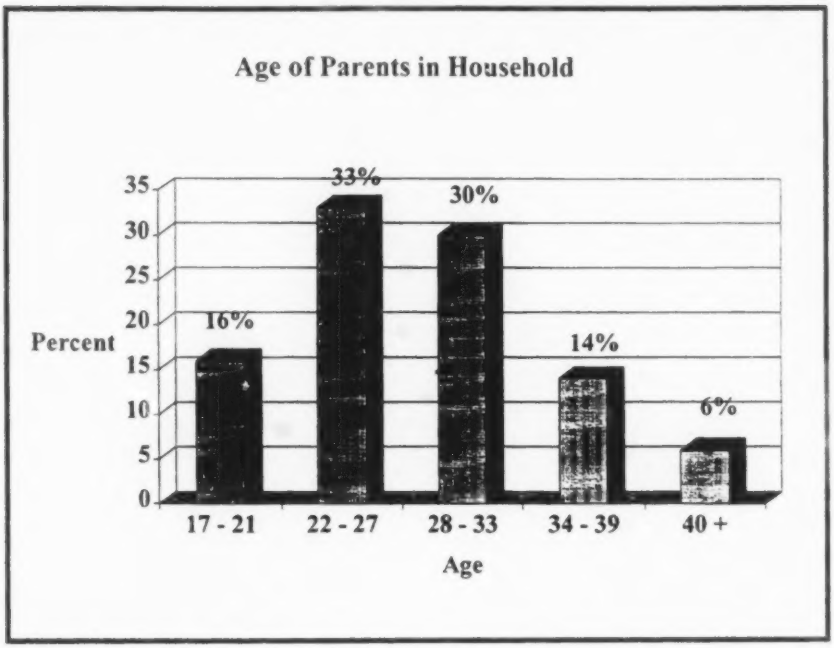

Percent of Families with Number of Children Under 13 in the Household
Two Children 30%
Three Children 12%
Four Children 5%
Five Children 3%
Six Children 1%
One Child 49%

4. Almost two-thirds of the children are 5 years old or younger:

newborns/preborns	15%
1 year old	12%
2 year olds	9%
3 year olds	11%
4 year olds	9%
5 year olds	7%
6 year olds	7%
7 year olds	6%
8 year olds	4%
9 year olds	4%
10 year olds	5%
11 year olds	3%
12 year olds	3%
13 year olds	1%

5. The parents are in their 20s and 30s:

- 63% of the parents are between 22 and 33 years old.



"It's just really crowded and we want our own place."

"I don't have a place. I've been staying at friends' houses and stuff like that."

I didn't have enough money for rent plus paying for daycare."

"I had to move recently because I couldn't afford the rent."

6. Most are single parent families headed by women:

- 70% have only one parent living in the household.
- 95% of the people randomly selected to be surveyed were women.

7. They are primarily renters:

67% rent their housing
25% own their housing
5% live with their parents

➤➤ 22% have had housing problems in the last year.

57% have been in their current homes less than a year.

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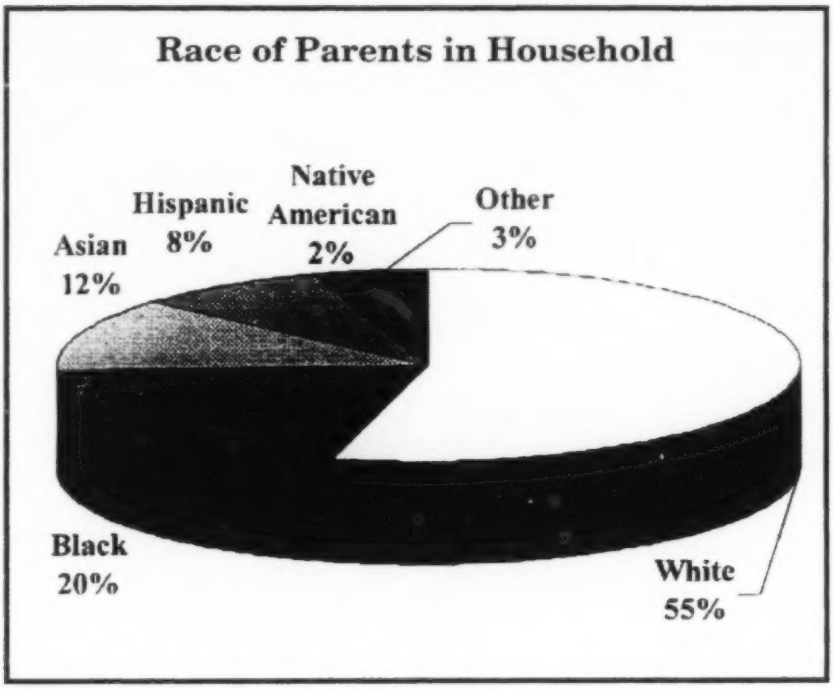
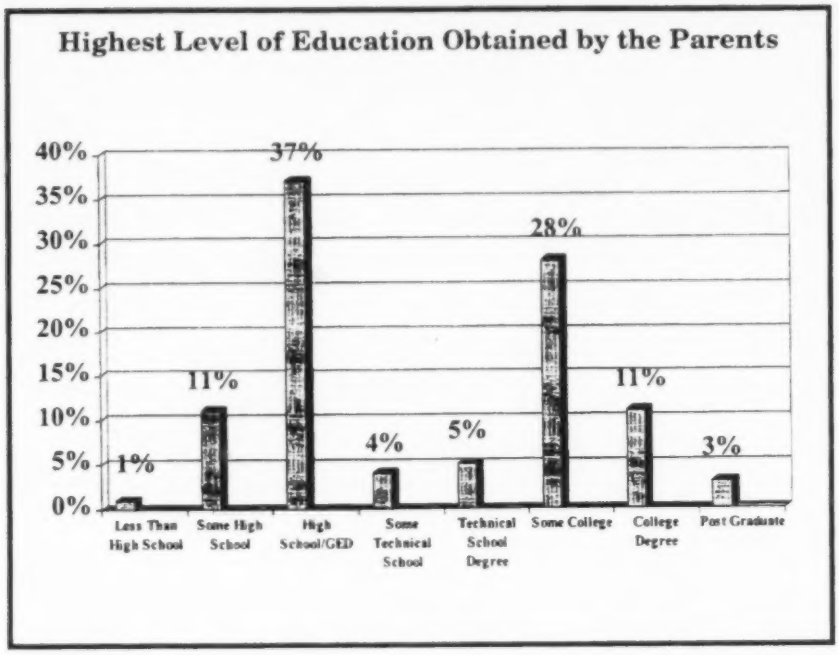
8. The families are more racially diverse than the community as a whole, but the majority are white:



9. **Most have at least a high school diploma; many have more than that.**



- 15% of the people interviewed are currently in a school program.
- 27% say they plan to apply for a school program at some point.

(See Appendix D for more detail.)

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"I needed to go back to work and I couldn't afford day care."

"I didn't have enough money to pay for my kids' food, clothing and education."

"I had a job offer and took it and had to quit, couldn't afford child care."

"I knew I was returning to work after the baby was born, I wouldn't be able to find child care."

"I don't always get the child support I'm supposed to get."

"Needed to get extra help because my hours were cut."

"I finally decided to get help - I couldn't pay my bills."

"I was desperate - wanted to go to work - needed daycare."

Why did people apply for help when they did?

- They can't make ends meet;
- Their jobs have changed;
- They have a new baby; and
- Other reasons.

36%	General explanation of needing more money, not being able to afford child care
29%	Because of a change in their work situation or wanting to change their work situation (i.e. start work)
20%	A new child: baby, adoption, custody change
9%	Divorce or separation or break up
9%	Just learned about the program
8%	Parent going to school
6%	Wanted to change their child care arrangements
4%	They just arrived in the community
12%	Other

(This totals more than 100% because some respondents gave more than one reason.)

What is happening in the lives of people on the waiting list for Basic Sliding Fee child care?

In the last year:

- 33% of the families have had a new baby
- 12% have had a separation or divorce
- 5% have had a change in their job

(Does not equal 100%)

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How do parents say their lives will change if they can get child care assistance?

56% Will be in better financial shape

This includes:

- 30% of these families saying they will catch up on debt and bills
- 13% will get better, more stable housing
- 13% will be able to get things for their children
- 9% will be able to buy more food or clothing
- 3% will get a car

25% Will change their work situation
(78% of these families would start a job or work more hours. The rest would change jobs or would drop an extra job.)

15% Will worry less about their children's well-being

9% Will get better, more stable housing

6% Will pursue educational goals

7% Expect other things would improve (less stress, better life, etc.)

(Totals more than 100%)

When asked if they would change their work hours if they did receive child care assistance, 27% said they would.

➤ Almost all (85%) of those who answered yes, said they would increase their hours.

"I'd be able to get a job. I wouldn't be home with the kids, but I would make money."

"I would have more money to spend on diapers and formula."

"My husband will be able to go back to work full-time."

"It will save me some money so I can use that money on something for my kids or my household; probably when I do get a job it will be more secure so I don't have to worry about who's gonna watch them or worry about losing a job."

"Enable me to buy groceries."

"I wouldn't be struggling to pay rent or grocery bills."

"I will have peace of mind knowing that I don't have to wonder about child care or wonder where I'll get gas money for the week."

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What do we know about the connection between needing child care assistance and the labor market?

1. **The families on the waiting list are in occupations which generally reflect where the concentration of jobs are in the Twin Cities economy.**

There are two exceptions – one slight; one significant.

Workers on Waiting List	Occupations	Available Jobs (1994)
6%	Professional/paraprofessional*	21%
24%	Clerical	19%
22%	Service	16%
17%	Sales **	12%
14%	Operator/laborer**	14%
9%	Precision production, craft, repair	9%
2%	Managers/administrators	7%
	Agricultural, forestry and fishing	1%
	Don't know	13%

(Minnesota Department of Economic Security, Employment Projections by Industry, Twin Cities Metro Area, 1994-2005)

* The significant variation:

Professional, paraprofessional and technical jobs are both the most numerous jobs available and the occupations predicted to increase the most in numbers in the next seven years. These jobs, however, represent only six percent of the jobs on the child care sliding fee waiting list – and the job titles in that category are primarily teachers. These are jobs requiring a high degree of education and skill. Of course, families with professional and paraprofessional jobs would be least likely to be eligible for child care assistance.

** The slight variation:

Sales jobs – this includes stores as well as restaurants – are one ranking higher on the sliding fee waiting list than they are in the list ranking jobs in order of their quantity in the local economy. Sales jobs — projected to grow by 19% in the next seven years — are the second fastest growing occupation type (along with managerial jobs.)

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2. **These families are working in the industries which account for the bulk of jobs in the region.**

Families on waiting list	Industries/ Jobs	Percentage of jobs in the metro region
43%	Service Industry	33%
20%	Trade	23%
13%	Manufacturing	17%
12%	Finance, insurance, real estate	7%
3%	Government*	6%
4%	Transportation*	5%
2%	Construction	3%
2%	Unknown	
	Self-employed	5%
	Ag	1%
	Mining	<1%

* With one minor difference, the industries that account for the most jobs in the metro area show up in the same rank order on the waiting list for the Basic Sliding Fee program.

(Minnesota Department of Economic Security, Twin Cities Metro Area Employment Outlook, 1994-2005)

This information is similar to the results of a study Ramsey County Human Services did in 1996. That study also showed that the occupations and industries leading job growth were the occupations and industries most likely to have workers using child care assistance.

This pattern tells us that families using this program are part of the economic mainstream, instead of exceptions to the trends in job growth. Again, the one outstanding exception is professional/paraprofessional/technical jobs which continue to grow at a fast pace - but which are under-represented in the child care program. *(See Attachment 1.)*

"I'd be able to work longer hours."

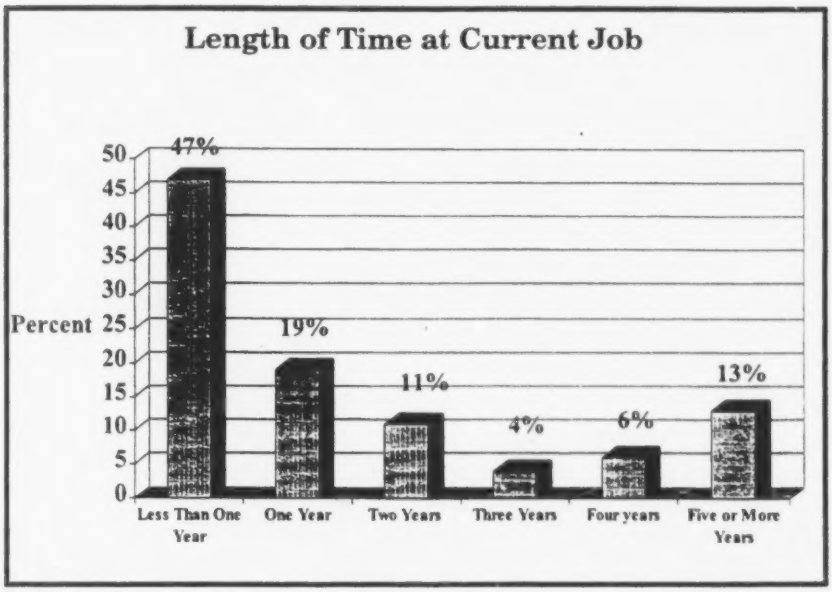
"My husband will be able to pick up more hours at work, and I can work full-time."

"My mom is doing child care now, but when she returns to work, I will have to find someone else, so I may have to quit."

"I would find a safe place to take the kids and pursue a job where I could be reliable and get better benefits.

"It would make things financially easier. I've been threatened with having my phone and other utilities turned off."

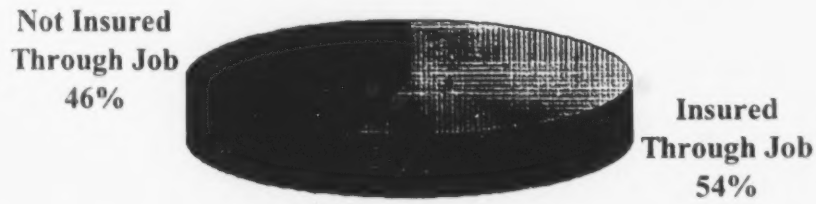
3. The families on the waiting list have not been at their current jobs a long time.



- Of those working a second job:
  - 65% have been at that second job less than a year
  - 71% have been working a year or less at that job.

- 22% of the adults interviewd said they are currently looking for work - a replacement job, an additional job or a new job after coming off a period of unemployment.

4. Half the adults get health insurance through their jobs.



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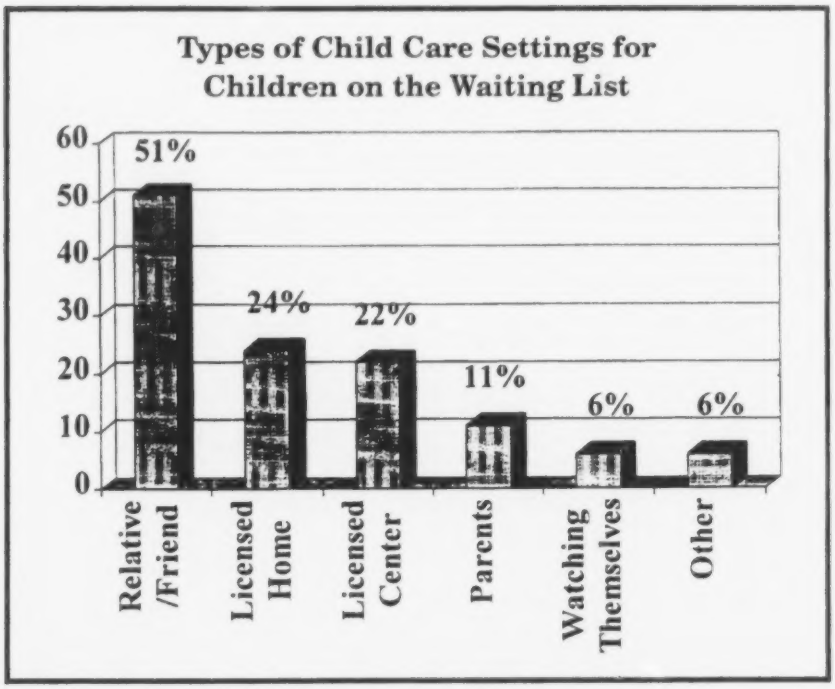
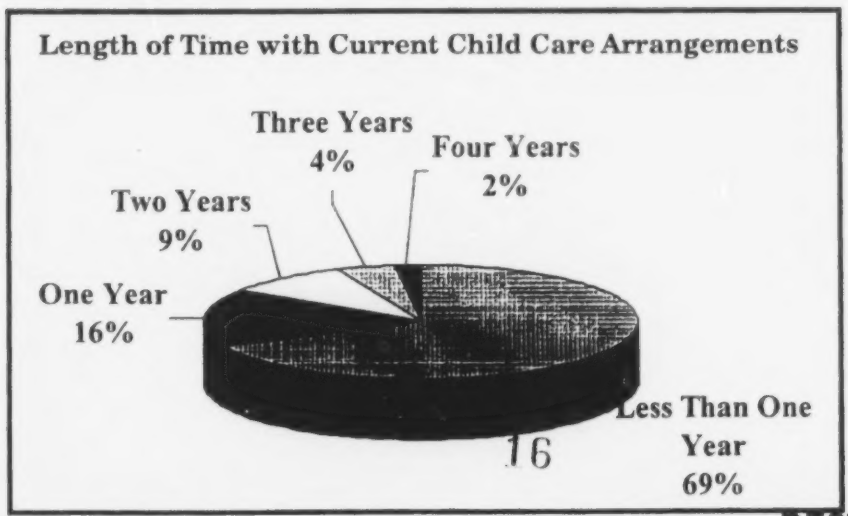
(See Appendix E for information specific about the second-earner in two-parent families.)

In what sort of child care settings are the children whose parents are waiting for help paying for child care?

1. Most of the children are in informal, unlicensed settings.



2. Most of the current arrangments are new for the child and family.


Length of Time with Current Child Care Arrangements
Three Years 4%
Four Years 2%
Two Years 9%
One Year 16%
Less Than One Year 69%

"The kids would be more secure in stable child care - not here and there."

"I would rather have someone watch my son, rather than leaving him on his own."

"One of my babysitters is unreliable and it has made me late for work before."

"I'll feel more comfortable when I know she'll be in a learning environment. Then I can stop having to take her to the doctor because of asthma (because her grandmother is a smoker."

"I think I would worry less. Now my youngest daughter goes to work with me [as a school bus driver] and so she is stuck on a bus. It would give her someplace to go."

"It would make things easier knowing the kids have somewhere to go day after day instead of being left with no where to go. I have left work because of this."

"He's not getting the learning skills I want him to get. I want him to be around other kids."

"It would change a lot. I don't think my sister-in-law will take care of the baby for free for much longer."

"It would make it a lot easier to pay medical bills.

"I can depend on the center to be open when they say they're open. I don't have to take off work if my sister has to do something."

"I am not happy because she is not always up in the morning and the boys go on their own, until God only knows."

3. Half the parents would change their child care arrangment if they could.

55% of the parents surveyed say they would change their child care arrangements if they get help with their child care assistance.

- ➤ 58% of those would change to a child care center.
- ➤ 28% would change to a licensed family child care home.

Parents are dissatisfied with their arrangements because of the cost, the lack of reliability and concerns about whether the care is appropriate or adequate:
Of the parents who are somewhat satisfied, not very satisfied or not at all satisfied:

50% say the cost of the care is high

55% is not always available

34% say age-appropriate care is not available

28% say too little attention is paid to their children

21% say the location is not convenient

15% say the child care environment is not safe

6% say the child care environment is not clean

25% named another reason

- ➤ The other reasons included wanting their children to be with other children, and a lack of comfort with the quality, including not enough learning, not enough structure, not liking what the children are fed, or the child being on his or her own.

(totals more than 100% because parents identified multiple concerns)

How are families paying for their child care while they are waiting for assistance?

- Using low cost or free care by friends or family
- Using up their savings
- Going into debt
- Going on public assistance

"Grandmother is getting too old to watch the children."

"I wouldn't constantly have to juggle my bills and pay late fees all the time."

Families are using private and public resources to make ends meet

Families have used the following resources since they have been on the waiting list:

- 52% have a family member doing low-cost or free child care
- 63% are using their savings to pay for child care
- 30% have borrowed money to pay for child care
- 26% have been on Medical Assistance
- 17% have been on food stamps
- 9% have been on MFIP
- 9% have used a food shelf
- 9% have subsidized rent or Section 8 help to pay their rent
- 13% have turned to other resources
  This includes families who are:
  - using credit cards or advances on their paycheck or other loans;
  - using child support payments or splitting the cost with the other parent who shares custody of the child;
  - getting money from families or friends; or
  - turning to programs, such as WIC or school loans (to pay for child care), etc.

"I'd be able to afford to pay my bills. Now I have to borrow for rent and child care."

"It will allow me to get an apartment."

"I'll have money to live and pay for health insurance."

"I'd be able to pay off all the bills."

This is similar to a 1994 study done by the Greater Minneapolis Day Care Association, which showed that of the families on the two-year waiting list in Hennepin County at that time:

- *71% fell into debt (many declaring bankruptcy);*
- *47% depleted their savings;*
- *the same number turned to foods stamps or Medical Assistance; and*
- *a quarter went on the Aid to Families with Dependent Children welfare program. (See Attachment 2 for Executive Summary of that study.)*

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APPENDIX: A

How did people find out about the child care sliding fee program?

A relative or friend	49%
Ramsey County Human Services	22%
Day care provider	8%
Other source	21%

APPENDIX: B

The following information about hourly wage levels in Minnesota is from *The Cost of Living in Minnesota* released by the Jobs Now Coalition in October, 1998. The Economic Policy Institute computed the hourly earnings from the micro data files on outgoing rotation groups in the Census Bureau's Current Population Survey.

Wages of all workers

"Almost 36% of Minnesota workers earn less than $9.27 per hour. . . and more than 20% earn less than $7.19 an hour."

Wages of male workers

"Almost half of male workers in Minnesota earn less than $13.00 an hour. . . nearly 29% of male workers earn less than $9.27 per hour . . . and almost 17% earn less than $7.19 per hour. . ."

Wages of female workers

"More than 72% of female workers in Minnesota earn less than $13.81 per hour. . . and over 53% earn less than $10.51 per hour. . . More than 43% of female workers earn less than $9.27 per hour . . . and nearly one-fourth earn less than $7.19 per hour."

APPENDIX: C

How long ago some families were on welfare

Of the 36% of the families on the waiting list who have been on welfare, they last received cash assistance:

34%	less than a year ago
13.8%	a year ago
10.6%	2 years ago
16%	3 years ago
8.5%	4 years ago
3.2%	5 years ago
2.1%	6 years ago
2.1%	7 years ago
4.3%	8 years ago
3.2%	10 years ago
1.1%	13 years ago
1.1%	14 years ago

APPENDIX: D

Educational Pursuits and Interests of the Families on the Waiting List

Current Education Activities:

15% of the families are currently enrolled in some sort of school or education program.

4.0%	need less than a year to complete their training
11.1%	need one year to complete their training
35.4%	need two years to complete their training
6.1%	need three years to complete their training
21.2%	need four years to complete their training
22.2%	need more than four years

How long have families been pursuing their current educational program?

29.3% have been enrolled in their school program less than a year
29.3% have been enrolled for a year
(58.6% sub-total)

19.5% have been enrolled for 2 years
14.6% have been enrolled for 4 years
7.2% 11 or more years

Of the families currently enrolled in a school program:

28% are pursuing a bachelors degree
23% are pursuing an associates degree
13% are pursuing a high school diploma/GED
10% are pursuing a Master's degree
5% are pursuing a certificate
3% are pursuing a PhD.
18% are pursuing another type of degree
(general education or vocational specific training)

Planned education activities:

27% are planning to apply to a school or education program.

Of the families planning to enroll in a school program:

34%	intend to pursue a bachelor's degree
16%	intend to pursue an associates degree
13%	intend to pursue a master's degree
11%	intend to pursue a certificate
8%	intend to pursue a high school diploma/GED
18%	intend to pursue another type of degree

APPENDIX: E

Earnings, Work History and Employment Profile of Second Parent in Two-Parent Households

95% of the people interviewed in this survey were women. Therefore, almost all the data about the "other" parent in two-parent households is about men.

Where a second parent is working, that second parent's earnings appear as follows:

51.4%	are earning between $7 and $9.92 an hour.
35.1%	earn between $10 and $11.62 an hour
13.0%	earn $13.71 an hour or more
None	earn less than $7.00 an hour:

Of those families where a second parent is working, the length of time at the current job is as follows:

43.8%	less than a year
28.1%	a year
12.5%	two years
4.7%	three years
1.6%	four years
3.1%	five years
1.6%	seven years
1.6%	ten years

68% of the second parents are working 35 hours or more a week.
77% of the second parents are hourly-paid workers.
53% of the second parents who are working have health insurance through their job.

APPENDIX: F

Residency

59% have always lived in Minnesota

Of the 41% who have not always lived in Minnesota, 27% were born here.

Of the 41% who have not always lived in Minnesota, their previous state of residence was:

17.3%	Illinois
12.7%	California
12.7%	Wisconsin
7.3%	North Dakota
3.6%	Colorado
	Florida
	Iowa
	Nebraska

Of the 41% who have not always lived in Minnesota, the number of years in this state since their last move has been:

10.0%	less than a year
7.3%	a year
12.7%	two years
10.0%	three years
9.1%	four years
6.4%	five years
6.4%	six years
4.5%	seven years
4.5%	eight years
3.6%	nine years
3.6%	ten years
21.6%	more than ten years

APPENDIX: G

RAMSEY COUNTY CHILD CARE WAITING LIST SURVEY

OVERVIEW

The Child Care Waiting List Survey was conducted as a telephone survey by the Minnesota Center for Survey Research at the University of Minnesota. The project was funded by the Ramsey County Department of Human Services. Individuals who were on the child care waiting list were randomly selected for possible participation in the survey.

Respondents answered questions about how they found out about Child Care Assistance, changes in their family composition or household in the past year, current household composition, payments they may have received from Aid to Families with Dependent Children (AFDC) or the Minnesota Families Investment Program (MFIP), current work status of the respondent and of another parent in the household, work circumstances that might change if Child Care Assistance was received, current enrollment in a school program and future intentions, current child care arrangements and satisfaction, housing problems in the past year, and how things would change if the respondent did receive Child Care Assistance.

Data collection was conducted from October 28 to November 19, 1998. Computer Assisted Telephone Interviewing (CATI) was used for this project. A total of 270 telephone interviews were completed. The overall response rate for the survey was 70% and the cooperation rate was 77%.

GOALS

The goal of the Child Care Waiting List Survey was to gather information about the experiences and attitudes of individuals who were on the child care waiting list. In addition, the purpose of the study was to find out about people's current work status and to identify what kinds of problems people have when they are on the child care waiting list for a long period of time.

STUDY DESIGN AND MANAGEMENT

The Child Care Waiting List Survey was conducted as a telephone survey by the Minnesota Center for Survey Research (MCSR) at the University of Minnesota. The project was funded by Ramsey County Department of Human Services. The highest standards of quality survey research were employed in conducting this project.

The administrative coordination of the project was provided by MCSR Director Rossana Armson. The MCSR Project Manager, Nadir Budhwani, was responsible for revising the survey instrument, supervising data collection, and assisting with transcription. The MCSR Data Manager, Anne Hoffman, programmed the survey instrument on CATI and converted the CATI file into an SPSS file format for analysis.

QUESTIONNAIRE DESIGN

A draft version of the questions to be included in the Child Care Waiting List Survey was provided by Mary Daly of the Ramsey County Department of Human Services. The questions were revised by Rossana Armson, Director of MCSR, with assistance from Nadir Budhwani, and were reviewed by Mary Daly. After several revisions, eight pretest interviews were conducted. The final questionnaire was approved by Mary Daly prior to the start of data collection.

Respondents answered questions about how they found out about Child Care Assistance, changes in their family composition or household in the past year, current household composition, payments they may have received from Aid to Families with Dependent Children (AFDC) or the Minnesota Families Investment Program (MFIP), current work status of the respondent and of another parent in the household, work circumstances that might change if Child Care Assistance was received, current enrollment in a school program and future intentions, current child care arrangements and satisfaction, housing problems in the past year, and how things would change if the respondent did receive Child Care Assistance.

SAMPLING DESIGN

Individuals who were on the child care waiting list for March through September 1998 were randomly selected for possible participation in the survey. The complete waiting list for those months was provided by the Ramsey County Department of Human Services. Monthly quotas were specified based on the number of individuals listed for each month, after duplicate listings with the same name were removed from the list. Monthly quotas were specified because of concerns about greater difficulty contacting individuals who had been on the list for a longer period of time, and had the goal of attempting to duplicate the month distribution in the completed interviews (see Table 1). Respondents were then randomly selected within each month, and replacements were added as needed for specific months.

TABLE 1

WAITING LIST BY MONTH AND INTERVIEWING QUOTAS

Month	Individuals on Listing	Percentage of all Listings	Target Number of Interviews
March 98	153	17%	45
April 98	140	15%	42
May 98	127	14%	38
June 98	118	13%	35
July 98	124	14%	37
August 98	121	13%	36
September 98	128	14%	38
TOTALS:	911	100%	271

INTERVIEWING

Data collection was conducted from October 28 to November 19, 1998. Computer Assisted Telephone Interviewing (CATI) was the data collection technology used for this project.

Interviewer Selection

Interviewers were students at the University of Minnesota. They were selected for their communication skills, were trained specifically for this project, and were supervised closely in their work.

Training of Interviewers

Training of interviewers at MCSR was conducted in three phases. In the first phase, new interviewers were required to attend an initial training session during which they received basic instructions in survey interviewing. In the second phase, interviewers attended a training session that covered survey procedures and policies for this project and review of the actual survey questionnaire. For the final phase of training, before beginning the telephone survey, each interviewer had a practice session using the survey instrument.

In addition, as an employment requirement, all interviewers were required to read and sign a statement of professional ethics that contains explicit guidelines about appropriate interviewer behavior and confidentiality of respondent information. A copy of this statement is included in Appendix E.

Computer Assisted Telephone Interviews

This project used the Ci3 System for Computer Interviewing, from Sawtooth Software. With minimal editing, data were available immediately after completion of data collection.

To conduct interviews using CATI, each interviewer uses a microcomputer which displays questions on the computer screen in the proper order. The interviewer wears a headset and has both hands free for entering responses into the computer via the keyboard. Responses are entered as numbers, such as "1" for yes and "2" for no.

Supervision

Interviewers were supervised throughout the data collection process. Supervisory responsibilities included distributing new phone numbers and scheduled appointments, reviewing completed questionnaires for errors and omissions, maintaining a Master Log of completed interviews, and monitoring interviews.

Monitoring

The silent entry monitoring system utilized at MCSR enabled supervisors to listen to interviews and provide immediate feedback to interviewers regarding improvements in interviewing quality. This system allowed the monitor to hear both the interviewer and the respondent during the survey. Interviewers whose performance was not satisfactory were re-evaluated on subsequent shifts. During the three weeks of interviewing, ten percent of the interviews were monitored.

Operations

Interviews were conducted by telephone from the phone bank located at MCSR. The interviewing was organized into evening and daytime shifts during weekdays and weekends.

Telephone numbers to be called were recorded on contact record forms and were distributed to interviewers at the beginning of each shift. The disposition for each attempt to complete an interview was recorded on these contact records. Each telephone number in the sample continued to be called until it had been attempted at least six times without success or until data collection ended on November 19, 1998.

The back of each contact record contained two forms: (1) a refusal form for recording relevant information about those respondents refusing to participate in the interview, and (2) a callback form for scheduling future interview appointments. The refusal form included entries for the respondents' reasons for declining to participate in the study, the arguments used by the interviewer to encourage participation, and the point at which termination of the interview occurred. The appointment form required the interviewer to specify the date and time of the scheduled appointment, the name of the targeted respondent (if selected), and whether the appointment was firm, probable, or uncertain.

For each call made, interviewers recorded the date, time, and disposition of the call as well as their interviewer ID number. Copies of the contact records and explanations for all possible disposition codes are included in Appendix E.

Open-ended responses were typed, verbatim, directly into the computer. In addition, interviewers were instructed to use a special "comment sheet" to record any incidents of repeating questions or categories, miscellaneous ad libs by respondents, and any problems they encountered during the interview. This information was also attached to the contact record.

Completed interviews were recorded directly onto computer diskettes and removed from the computers at the end of each day by the supervisors. The contact record for each completed survey was then assigned a unique identification number in the Master Log. The CATI identification number, telephone number, and other pertinent information also were recorded in the Master Log. All contact records were returned to the supervisor at the end of the shift.

Answering Machine Messages

The sample for this study included many households with answering machines. Interviewers were instructed to leave a message stating they were calling from the University of Minnesota, and they would be calling back; or the respondent could call MCSR to participate in the study. The text of the answering machine message is included in Appendix E.

MANAGEMENT OF THE DATA

Data Cleaning

After data were transferred from the Ci3 file to an SPSS file, a systematic examination was conducted to remove data entry errors. Data cleaning involved using a computer program to evaluate each case for variables with out-of-range values. In addition, the file was examined manually to identify cases with paradoxical or inappropriate responses.

Transcription

Transcriptions of the responses from open-ended questions and "other (specify)" responses were transcribed verbatim and are presented in Appendix B and Appendix C.

COMPLETION STATUS

A total of 270 telephone interviews were completed for the Child Care Waiting List Survey (see Table 2). An additional 16 people refused to participate and 65 telephone numbers were still active when interviewing was terminated. The remainder of the sample was categorized as follows: 21 potential respondents were unreachable during six or more attempted contacts and 12 individuals were not able to complete the survey because of physical or language problems. In addition, 527 telephone numbers were eliminated: 34 of them because they were no longer interested in being on the waiting list, 4 because they had moved out of Ramsey County, 79 because the respondent could not be reached at the telephone number that had been provided, 78 because the telephone number had been disconnected, and 332 because no attempt had been made to contact that respondent. The overall response rate for the survey was 70% and the cooperation rate was 77%, based on formulas specified by the American Association for Public Opinion Research.

THE OTHER SIDE OF THE CHILD CARE STORY:

Economic Development Trends and the Need for Child Care Subsidies

by

Deborah Schlick,
Consultant, Ramsey County Human Services Department
Planning Office
Administrative Services Division

and

Data Analysis
by
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Spring, 1996

THE OTHER SIDE OF THE CHILD CARE STORY:

Economic Development Trends and the Need for Child Care Subsidies

Executive Summary

Most studies of child care subsidy programs have analyzed the families who received child care assistance. Ramsey County Human Services wanted to consider the other side of the question: that is, the relationship between child care subsidies and economic activity.

Our study focuses on the Basic Child Care Sliding Fee fund, a $5 million/ year program which helps working poor families pay their child care bills. The program is a combination of Federal, State and County funds. In August, 1995, we surveyed 1260 families in Ramsey County who receive child care sliding fee funds to find out: what types of jobs do they hold in which industries, and what their hourly wages and average hours of work per week are?

I. CONCLUSIONS

Instead of considering the Child Care Sliding Fee Program only as a subsidy to families, we can make a case that it also subsidizes the larger economy. This information is critical to communities that undertake efforts to put more families to work in order to protect the community from the consequences of spreading poverty (i.e., crime, family violence; etc.).

A. The need or demand for child care subsidies is driven by trends in economic development and job growth.

We saw from our survey of families needing child care support that the dominant industries and occupations are generally the same as those forecast to lead job growth in the next five years. The health care services industry, for instance, is the leading sector for job growth and by far the most represented sector in our survey of the child care subsidy program.

B. Jobs above minimum wage still need subsidy in order to support families.

Jobs paying minimum wage and near minimum wage made up less than 20% of the jobs subsidized by the child care program. The bulk of jobs, 57% of those subsidized by the child care program, were in the $7 to $9.99/hour range. If the JOBS NOW Coalition is right (or even close to right) that $10.96/hour is a necessary, livable wage for a family of three, then the child care program functions as "gap financing" for working families whose wages fall below that standard.

C. **If forecasts about job and industry growth are accurate, and if job training programs are designed to meet that growth, we can assume an on-going need for child care subsidies.**

The child care subsidies support jobs requiring a high school degree and up to two years of training (a range that can include a few weeks of on-the-job training or a full two years of formal post-secondary education). Job growth, according to State forecasts, will be in jobs that require lower levels of education and training.

II. PUTTING THIS INFORMATION TO USE

A. **Recognize that child care subsidies play a legitimate role in economic development.**

More than 1,200 jobs in Ramsey County are supported by the Child Care Sliding Fee Fund. Unlike more traditional public investments in economic development, policy makers and the public can easily and clearly demonstrate that the public dollars in the program support jobs all held by local workers.

B. **Tie revenue sources to economic trends creating demand.**

If industry trends can be shown to be tied to demand for child care (and replications of this study by other counties could define that picture more fully), then policy makers can consider ways to tie revenue for child care subsidy programs to the economic factors creating demand.

C. **Consider the value of higher level training to match job growth.**

Paraprofessional/professional/technical jobs are projected to grow at the fastest rate State-wide in the next five years, but they are jobs requiring significant education and training. Policy makers should consider whether child care support to families for education and training efforts focused on such jobs moves new workers into those jobs and results in shorter term reliance on child care subsidies.

D. **Create a more complete picture of public investment in economic development.**

Taking into account what types of jobs are created in which industries at what wage levels under different economic development strategies can help policy makers determine what sort of child care subsidy will be necessary and to more accurately consider the full costs for public investments in economic initiatives.

ATTACHMENT: 2

1994 Study by the Greater
Minneapolis Day Care Association:
Executive Summary

"Valuing Families: The High Cost of
Waiting--
A Study of Families on the Child Care Sliding Fee
Waiting List in Hennepin County, Minneapolis, MN"

"The Child Care Sliding Fee Program:
A Sound Investment"

VALUING FAMILIES: The High Cost of Waiting

A Study of Families on the Child Care Sliding Fee Waiting List in Hennepin County, Minneapolis, MN

Just as a small amount of money invested at the right time produces a profitable future return, investing in children through the Child Care Sliding Fee Program ensures short- and long-term dividends for all of us.

Minnesota's 20-year-old Child Care Sliding Fee Program stabilizes the cost of child care and education for parents. By providing a moderate amount of funding based on each family's size and income, it allows low-income parents to work or stay in school while paying a copayment for their child's care and education.

In spite of the value and effectiveness of the Child Care Sliding Fee Program, funding is not available when people need it. In December of 1994, approximately 2,100 Hennepin County families faced a wait of up to one-and-one-half years for assistance.

Believing that such delays are harmful to families, GMDCA surveyed families on Hennepin County's waiting list to determine the economic, emotional, and societal costs of delayed support. The study unearthed five compelling findings that corroborate what we in child care already knew: waiting for child care assistance has a devastating impact on families.

Study Findings

1 Without child care subsidies, one quarter of the families on the waiting list have turned to AFDC for economic survival and one-half rely on food stamps and Medical Assistance. As one parent stated:

> *"...I've been on AFDC for six years and I would have preferred free daycare and medical assistance within the first year of my firstborn's life to an AFDC check...I need help, but more importantly I need to show my kids by example how to survive by employment and hard work. All I'm showing them is someone will take care of you...and that every three weeks we only have one to two meals at most and hunger hurts."*

2 The short-term cost of supporting families on welfare is $595 more per month per family than the cost of supporting a similar family with only child care subsidies. The long-term cost of supporting families with welfare also has serious ramifications.

3 Many families have incurred overwhelming debt as a result of their child care expenses. Most parents cannot find free child care. Over 80 percent of families on the waiting list pay for care, and of these families, 71 percent have experienced significant levels of debt or filed for bankruptcy.

The majority of families surveyed continue to work while waiting for Child Care Sliding Fee, but they do so at great expense to the security of their family. With an average annual income of $15,400, they struggle to pay child care — which averages $4,525 a year for a three- or four-year-old or 29 percent of these earnings.

> *"I pay $460 a month for child care. I am a single parent and a manager of a restaurant. As a result of day care expenses I try to cut back on hours at work...to reduce the day care amount. My unit then suffers...to the point I worry I may lose my job. I have lost out on bonus money I depend on and have fallen behind on several bills..I am currently looking into claiming bankruptcy."*

4 Because of the high cost of care and education, almost half of the parents feel trapped. Some are unable to work, much less pursue training for higher-wage jobs.

> *"The... financial stress of having small children is almost unbearable. It is an impossible situation when you cannot afford to work because you cannot afford quality child care, but you cannot afford not to work."*

5 Many children on the waiting list are deprived of consistent, stable care and appropriate early childhood education. This may result in the inability to form strong, healthy relationships, which are the foundation needed for success in school and life.

Over one-third of parents were concerned about quality issues with their child's provider such as lack of appropriate programming, not enough attention paid to their child and unsafe or unclean environments.

> *"The babysitter leaves Alicia with her son who is 17 years old and very immature. It bothers me to come and get her and she's crying hysterically and he just ignores her and she's hungry."*

Over one-third of parents changed child care providers three or more times while on the waiting list.

> *"My child is six months old and has been in three horrible daycares in two-and-one-half months."*

"My two babies will be fuller — happier —learning a lot of new interesting things they need to know. Have a chance to meet another children, to talk, to learn how to speak English, to understand the world outside. Right now my two children know nothing about English — afraid outside —afraid with other kids. And I worried about my babies a lot while I'm working because my babies are not full enough, they're not happy and so scared of the lady who take care of them. I am a single mother. My income really not enough to send my to children to day care center. Please help."

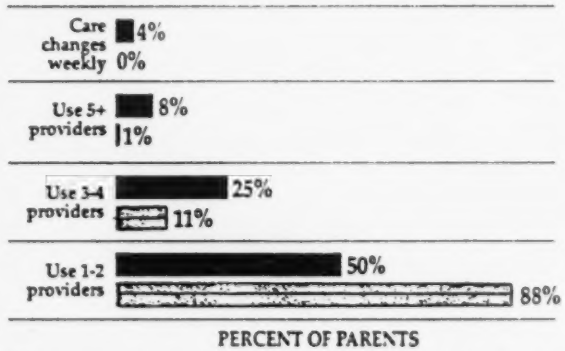
— From a mother on the Child Care Sliding Fee waiting list

About GMDCA

As the child care resource and referral agency for Hennepin County, the Greater Minneapolis Day Care Association (GMDCA) has worked for 26 years to effect positive change in the quality, affordability and accessibility of child care. In addition, GMDCA seeks to influence the overall Minnesota child care system for the benefit of all children and families.

This study was funded by a grant from the Minneapolis Foundation.

Stability of Child Care Arrangements



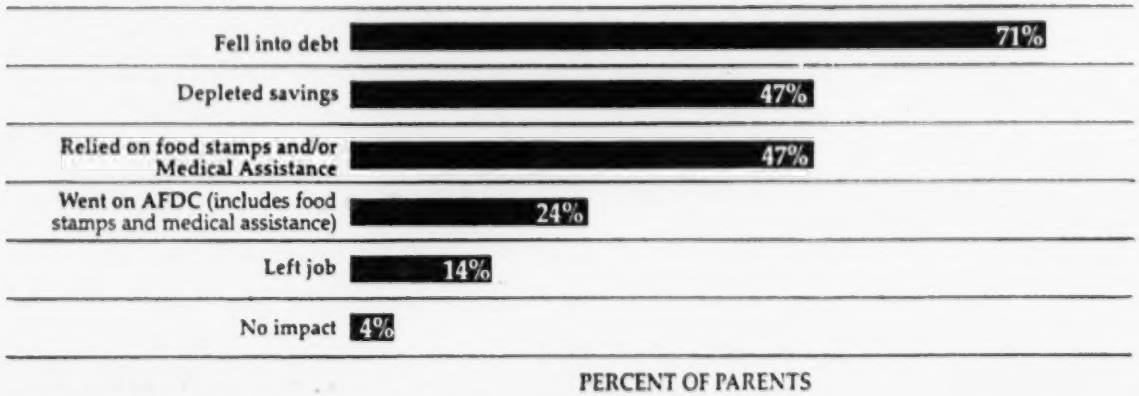
NOTE: For parents on the waiting list, an additional 7 percent gave "other" responses and 6 percent did not respond to the question.

Profile of Families Surveyed

GMDCA surveyed 270 randomly-selected families on the waiting list for Child Care Sliding Fee assistance.

Average family size:	3
Average number of children per family:	1.5
Average annual income:	$15,400
Marital status:	
Single parent	68 percent
Married	25 percent
Living with other parent	6 percent
Unknown	1 percent
Work/School Status	
Working	63 percent
In school	10 percent
Both working and in school	11 percent
Looking for work or waiting to get into school	16 percent

Economic Impact of Child Care Costs on Families on the Waiting List



NOTE: Results do not total to 100 percent due to multiple responses. (N = 270)

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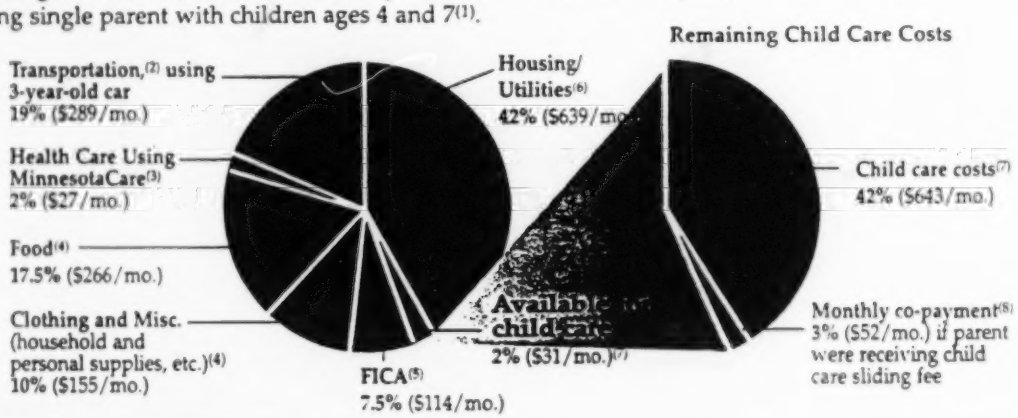
No Room for Child Care Costs in Budget of Typical Family on the Waiting List

Monthly budget of $1,521 (includes food stamps and earned income tax credit) for working single parent with children ages 4 and 7[1].



Notes (Data compiled by Children's Defense Fund MN 1993):

1. Average income of family on the waiting list in Hennepin County, including $193/month for food stamps and $70/month for tax credits minus state and federal taxes due.
2. Cost of running a 3-year-old car 12,000 miles/year; from MN Department of Transportation, 1993.
3. Presumes family on MinnesotaCare; higher if parent is covered through employer and must pay share of cost, 1993.
4. From MN Department of Human Services Market Basket Evaluation of AFDC Standard of Need, 1991.
5. Social Security; presumes no income tax withholding.
6. Two-bedroom apartment with utilities and phone; from U.S. Department of Housing and Urban Development and U.S. West, 1993.
7. Average cost of family child care for preschool and school age care, 1994.
8. Monthly Child Care Sliding Fee copayment for family of three, 1994. $591 of total child care costs are subsidized.

Impossible Choices: AFDC or Nothing

Given the high cost of child care, low wage jobs and a long waiting list for Child Care Sliding Fee, how do these families manage? Some don't.

Families on the waiting list soon discover that the fastest way to obtain child care assistance is to quit their jobs, go on AFDC, and then begin work again often at lower paying jobs. How can this be?

Parents and caretakers who enter the child care system through AFDC are, for the most part, eligible for child care assistance if they go to work or school. Parents who are not on AFDC are placed on the Child Care Sliding Fee waiting list. Families transitioning off AFDC are placed at the head of this list, causing further delays for the low-income, non-AFDC families already waiting for assistance.

We believe the unintended message of the current system is, "Quit your job, go on AFDC, then get another job and you'll receive child care services."

In the end, many families do whatever it takes to survive.

- While waiting for child care funding, 47 percent of families relied on Food Stamp and Medical Assistance Programs.
- Almost one out of four families on the waiting list left jobs or job-related training and turned to AFDC.

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The Child Care Sliding Fee Program: A Sound Investment

Ultimately, investing in the Child Care Sliding Fee Program helps ensure future returns. The program provides an appropriate amount of assistance to low-income families struggling to work and care for their children. It creates self-sufficiency and allows parents to be responsible for choices about their child's care and education. As such, it is a family friendly alternative to welfare, giving families the boost they so desperately need.

Currently, the Child Care Sliding Fee Program serves 2,300 non-AFDC Hennepin County families whose income is below 75 percent of the State Median Income (SMI). The majority (54 Percent) of families served participate in the program less than one year.

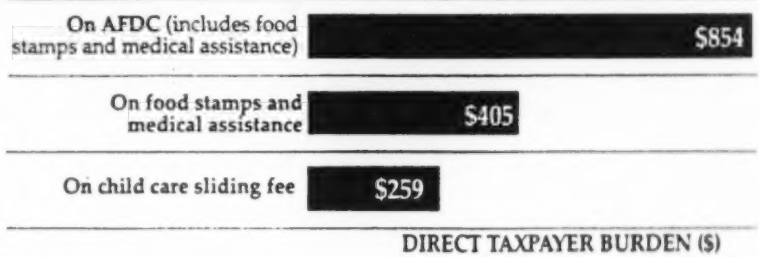
Additional Findings:

- The estimated direct-service, tax-payer costs of supporting families on AFDC, Food Stamps and Medical Assistance is $595 more per month per family than assisting families through the Child Care Sliding Fee Program.
- Once families receive funding through the Child Care Sliding Fee Program, they continue to improve their economic standing as they move from part-time to full-time work or pursue training to qualify for higher-paying jobs. As a result, average gross annual income increases from $15,400 for families on the waiting list to $19,500 for families receiving child care assistance.
- Families receiving Child Care Sliding Fee have less need to rely on other forms of public assistance. Of the 434 families currently receiving Child Care Sliding Fee through GMDCA only 1 percent use food stamps and 1 percent are enrolled on Medical Assistance.

Beyond the economic benefits, the Child Care Sliding Fee Program helps reduce the fear and uncertainty that confront low-income families daily. It enables parents to purchase stable care and education for their children. Such care readies children for school, teaches them necessary social skills and prepares them to be self-sufficient, contributing citizens.

> *"Before I received child care subsidies, I was forced to work two jobs, about 65 hours per week. Between work and commuting time I had no time to be a parent and what time I had was very low quality. . . After a year of this schedule I was forced to my job and go on AFDC [Aid for Families with Dependent Children]. Now that I receive subsidies I have returned to school. I will graduate after two years. . . with an electrician degree. This new career will allow me to provide for myself and my child without any assistance within one year on the job."*
>
> — Mother of a three-year-old on the Child Care Sliding Fee Waiting List

Average Monthly Costs to Taxpayers for Supporting a Family



NOTE: Average monthly costs of programs are provided by Minnesota Department of Human Services and GMDCA. Taxes paid by families in each group were subtracted from the costs to taxpayers — an estimated $57 per month for families receiving AFDC, $110 per month for those on food stamps and Medical Assistance, and $171 per month for families receiving Child Care Sliding Fee assistance. Tax data is provided by the Joint Religious Legislative Coalition. Costs to taxpayers do not include program administration.

To order the full report, **Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance**, send $5 per copy, which includes postage, to GMDCA, 1628 Elliot Ave. S., Minneapolis, MN 55404-1657, or fax your order, along with Visa or MasterCard number and authorized signature, to GMDCA, 612/431-43356. All orders must be prepaid. Questions? Call GMDCA at 612/341-1177.

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